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# Granholm announces launch of business development program

DETROIT (AP)— Gov. Jennifer Granholm on Thursday announced the launch of a program aimed at attracting, retaining and developing small to medium-sized businesses in Michigan.

The Invest Michigan program is financed with \$300 million of the state's \$58 billion in pension fund assets, divided into two funds of \$150 million each.

The Growth Capital Fund will make direct investments of \$2 million to \$7 million in venture capital and expanding companies, while the Michigan Opportunities Fund will make direct investments of \$10 million to \$40 million in potential acquisitions and buyouts.

A Business Leadership Council chaired by Penske Corp. CEO Roger Penske will



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assist the fund managers.

Penske, who appeared with Granholm at Thursday's announcement, said the council would review investment proposals, evaluate management and capital requirements and meet with entrepreneurs to discuss their companies' goals and strengths.

Information technology, health care and automotive components are among the businesses that could benefit from

the infusion of investment capital, Penske said.

State Sen. Nancy Cassis, chairwoman of the Senate Finance Committee, raised sev-

eral questions about the Invest Michigan program's goals, risks and effectiveness.

"Once again, state government is picking winners and losers instead of providing relief to all struggling businesses," Cassis, R-Novi, said in a statement. "Is this plan safe? That's the most important consideration at a time of great economic uncertainty, when pension funds around

the United States have suffered some losses.

"Considering the investments already made by the Michigan Economic Development Corp. and the Strategic Fund, when will we start to see Michigan's economy and the state's jobless rate turn around? Are we truly creating jobs or just helping sustain a bureaucracy?"

The 21st Century Jobs Fund and Venture Michigan Fund, introduced by Gov. Granholm in previous years, have invested \$100 million to create eight private funds focused on Michigan's early stage companies.

Invest Michigan, mentioned by Granholm in her State of the State address in January, is designed to make funding available for later-stage capital needs.